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Attorneys for Defendants

HANDLER, THAYER & DUGGAN, LLC and  
 THOMAS J. HANDLER, J.D., P.C. (erroneously sued  
 herein as THOMAS J. HANDLER, individually)

UNITED STATES DISTRICT COURT  
 FOR THE NORTHERN DISTRICT OF CALIFORNIA

GREGORY R. RAIFMAN, individually and as )  
 Trustee of the RAIFMAN FAMILY REVOCABLE )  
 TRUST DATED 7/2/03; SUSAN RAIFMAN, )  
 individually and as Trustee of the RAIFMAN )  
 FAMILY REVOCABLE TRUST DATED 7/2/03; )  
 and GEKKO HOLDINGS, LLC, an Alaskan limited )  
 liability company, dba GEKKO BREEDING AND )  
 RACING, )

Plaintiffs,

vs.

CLASSICSTAR, LLC, a Utah limited liability )  
 company; CLASSICSTAR FARMS, LLC, a )  
 Kentucky limited liability company; BUFFALO )  
 RANCH, a business entity form unknown; )  
 GEOSTAR CORPORATION, a Delaware )  
 corporation; S. DAVID PLUMMER; SPENCER D. )  
 PLUMMER, III; TONY FERGUSON; THOMAS )  
 ROBINSON/ JOHN PARROT; HANDLER, )  
 THAYER & DUGGAN, LLC, an Illinois limited )  
 liability company; THOMAS J. HANDLER; )  
 KARREN, HENDRIX, STAGG, ALLEN & )  
 COMPANY, P.C., a Utah professional corporation, )  
 f/k/a/ KARREN, HENDRIX & )  
 ASSOCIATES, P.C., a Utah professional )  
 corporation; TERRY L. GREEN; and DOES )  
 1-1000, inclusive, )

Defendants.

No. C07-2552 MJJ

(PROPOSED)  
 ANSWER TO COMPLAINT;  
 DEMAND FOR JURY TRIAL

1 COME NOW defendants HANDLER, THAYER & DUGGAN, LLC and  
2 THOMAS J. HANDLER, J.D., P.C. (erroneously sued herein as THOMAS J. HANDLER,  
3 individually) and respond to the complaint of plaintiffs as follows:

4 **I. INTRODUCTION AND NATURE OF THE CASE**

5 1. Answering Paragraph 1, these defendants deny each and every allegation  
6 contained therein as to these defendants.

7 2. Answering Paragraph 2, these defendants deny each and every allegation  
8 contained therein as they apply to these defendants.

9 3. Answering Paragraph 3, these defendants deny each and every allegation  
10 contained therein as they apply to these defendants.

11 4. Answering Paragraph 4, these defendants were aware that the programs  
12 described therein did exist, and these defendants did render opinions regarding the tax aspects of the  
13 horse breeding agribusiness, but they deny each and every other allegation contained for lack of  
14 information or belief.

15 5. Answering Paragraph 5, these defendants deny each and every allegation  
16 contained therein as they apply to these defendants.

17 6. Answering Paragraph 6, these defendants deny each and every allegation  
18 contained therein as they apply to these defendants.

19 **II. JURISDICTION AND VENUE**

20 7. Answering Paragraph 7, these defendants admit the allegations contained  
21 therein as they apply to these defendants.

22 8. Answering Paragraph 8, these defendants deny each and every allegation  
23 contained therein as they apply to these defendants.

24 9. Answering Paragraph 9, these defendants deny each and every allegation  
25 contained therein as they apply to these defendants.

26 10. Answering Paragraph 10, these defendants deny each and every allegation  
27 contained therein for lack of information or belief.

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1           11.     Answering Paragraph 11, these defendants deny each and every allegation  
2 contained therein as they apply to these defendants.

3           12.     Answering Paragraph 12, these defendants deny each and every allegation  
4 contained therein as they apply to these defendants.

5                           **III. THE PLAINTIFFS**

6           13.     Answering Paragraph 13, these defendants deny each and every allegation  
7 contained therein for lack of information or belief.

8           14.     Answering Paragraph 14, these defendants deny each and every allegation  
9 contained therein for lack of information or belief.

10          15.     Answering Paragraph 15, these defendants deny each and every allegation  
11 contained therein for lack of information or belief.

12          16.     Answering Paragraph 16, this paragraph contains no charging allegations  
13 against these defendants.

14                           **IV. THE DEFENDANTS**

15          17.     Answering Paragraph 17, on information and belief these defendants admit  
16 the allegations contained therein.

17          18.     Answering Paragraph 18, on information and belief these defendants admit  
18 the allegations contained therein.

19          19.     Answering Paragraph 19, on information and belief these defendants admit  
20 the allegations contained therein.

21          20.     Answering Paragraph 20, on information and belief these defendants admit  
22 the allegations contained therein.

23          21,     Answering Paragraph 21, on information and belief these defendants admit  
24 the allegations contained therein.

25          22.     Answering Paragraph 22, on information and belief these defendants admit  
26 the allegations contained therein.

27          23,     Answering Paragraph 23, on information and belief these defendants admit  
28 the allegations contained therein.

1                   24.     Answering Paragraph 24, on information and belief these defendants admit  
2     the allegations contained therein.

3                   25.     Answering Paragraph 26, on information and belief these defendants admit  
4     the allegations contained therein.

5                   26.     Answering Paragraph 26, these defendants deny that no attorney employed  
6     by the firm was licensed to practice in California, but admit the remaining allegations contained  
7     therein.

8                   27.     Answering Paragraph 27, these defendants admit that THOMAS J.  
9     HANDLER is a citizen and resident of the State of Illinois, and that he his not licensed to practice  
10    law in the State of California. These defendants admit that THOMAS J. HANDLER, P.C. is an  
11    attorney and principal in the HANDLER LAW FIRM, but they deny any remaining allegations  
12    contained therein.

13                  28.     Answering Paragraph 28, for lack of information or belief these defendants  
14    are unable to admit the allegations contained therein.

15                  29.     Answering Paragraph 29, for lack of information or belief these defendants  
16    are unable to admit the allegations contained therein.

17                  30.     Answering Paragraph 30, these defendants deny each and every allegation  
18    contained therein as they apply to these defendants.

19                  31.     Answering Paragraph 31, this paragraph contains no charging allegations  
20    against these defendants.

21                  32.     Answering Paragraph 32, this paragraph contains no charging allegations  
22    against these defendants.

23                  33.     Answering Paragraph 33, these defendants deny each and every allegation  
24    contained therein as they apply to these defendants.

25                  34.     Answering Paragraph 34, this paragraph contains no charging allegations  
26    against these defendants.

27                                   **V. GENERAL ALLEGATIONS**

28                  35.     Answering Paragraph 35, these defendants deny each and every allegation

1 contained therein as they apply to these defendants, and specifically deny that the plaintiffs have been  
2 injured or damaged in an any manner or in any sum whatever.

3 36. Answering Paragraph 36, these defendants deny each and every allegation  
4 contained therein as they apply to these defendants.

5 37. Answering Paragraph 37, these defendants deny each and every allegation  
6 contained therein as they apply to these defendants.

7 38. Answering Paragraph 38, these defendants admit that a tax opinion was given  
8 to plaintiffs, but these defendants deny each and every other allegation contained therein as they  
9 apply to these defendants.

10 39. Answering Paragraph 39, these defendants admit that a tax opinion was given  
11 to plaintiffs, but these defendants deny each and every other allegation contained therein as they  
12 apply to these defendants.

13 40. Answering Paragraph 40, these defendants admit that a tax opinion was given  
14 to plaintiffs, but these defendants deny each and every other allegation contained therein as they  
15 apply to these defendants.

16 41. Answering Paragraph 41, these defendants admit that a tax opinion was given  
17 to plaintiffs, but these defendants deny each and every other allegation contained therein as they  
18 apply to these defendants.

19 42. Answering Paragraph 42, these defendants deny each and every allegation  
20 contained therein as they apply to these defendants.

21 43. Answering Paragraph 43, these defendants have neither information nor belief  
22 as to truth of the allegations contained therein, and on that basis deny each and every allegation  
23 contained therein as they apply to these defendants.

24 44. Answering Paragraph 44, these defendants have neither information nor belief  
25 as to truth of the allegations contained therein, and on that basis deny each and every allegation  
26 contained therein as they apply to these defendants.

27 45. Answering Paragraph 45, these defendants have neither information nor belief  
28 as to truth of the allegations contained therein, and on that basis deny each and every allegation

1 contained therein as they apply to these defendants.

2 46. Answering Paragraph 46, these defendants have neither information nor belief  
3 as to truth of the allegations contained therein, and on that basis deny each and every allegation  
4 contained therein as they apply to these defendants.

5 47. Answering Paragraph 47, these defendants have neither information nor belief  
6 as to truth of the allegations contained therein, and on that basis deny each and every allegation  
7 contained therein as they apply to these defendants.

8 48. Answering Paragraph 48, these defendants have neither information nor belief  
9 as to truth of the allegations contained therein, and on that basis deny each and every allegation  
10 contained therein as they apply to these defendants.

11 49. Answering Paragraph 49, these defendants have neither information nor belief  
12 as to truth of the allegations contained therein, and on that basis deny each and every allegation  
13 contained therein as they apply to these defendants.

14 50. Answering Paragraph 50, these defendants have neither information nor belief  
15 as to truth of the allegations contained therein, and on that basis deny each and every allegation  
16 contained therein as they apply to these defendants.

17 51. Answering Paragraph 51, these defendants have neither information nor belief  
18 as to truth of the allegations contained therein, and on that basis deny each and every allegation  
19 contained therein as they apply to these defendants.

20 52. Answering Paragraph 52, these defendants have neither information nor belief  
21 as to truth of the allegations contained therein, and on that basis deny each and every allegation  
22 contained therein as they apply to these defendants.

23 53. Answering Paragraph 53, these defendants have neither information nor belief  
24 as to truth of the allegations contained therein, and on that basis deny each and every allegation  
25 contained therein as they apply to these defendants.

26 54. Answering Paragraph 54, these defendants have neither information nor belief  
27 as to truth of the allegations contained therein, and on that basis deny each and every allegation  
28 contained therein as they apply to these defendants.

1           55.     Answering Paragraph 55, these defendants have neither information nor belief  
2 as to what specific representations were made to plaintiffs, but on information and belief the  
3 remaining allegations appear to be true.

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5           56.     Answering Paragraph 56, these defendants have neither information nor belief  
6 as to truth of the allegations contained therein, and on that basis deny each and every allegation  
7 contained therein as they apply to these defendants.

8           57.     Answering Paragraph 57, these defendants have neither information nor belief  
9 as to what specific representations were made to plaintiffs, but on information and belief the  
10 remaining allegations appear to be true.

11          58.     Answering Paragraph 58, these defendants admit that a tax opinion was given  
12 to plaintiffs, but these defendants deny each and every other allegation contained therein as they  
13 apply to these defendants.

14          59.     Answering Paragraph 59, these defendants admit that a tax opinion was given  
15 to plaintiffs, but these defendants deny each and every other allegation contained therein as they  
16 apply to these defendants.

17          60.     Answering Paragraph 60, these defendants have neither information nor belief  
18 as to truth of the allegations contained therein, and on that basis deny each and every allegation  
19 contained therein as they apply to these defendants, and specifically deny that these defendants made  
20 any such representations to plaintiffs.

21          61.     Answering Paragraph 43, these defendants have neither information nor belief  
22 as to truth of the allegations contained therein, and on that basis deny each and every allegation  
23 contained therein.

24          62.     Answering Paragraph 62, these defendants have neither information nor belief  
25 as to truth of the allegations contained therein, and on that basis deny each and every allegation  
26 contained therein as they apply to these defendants, and specifically deny that these defendants made  
27 any such representations to plaintiffs.

28          63.     Answering Paragraph 63, these defendants have neither information nor belief

1 as to truth of the allegations contained therein, and on that basis deny each and every allegation  
2 contained therein.

3 64. Answering Paragraph 64, these defendants have neither information nor belief  
4 as to truth of the allegations contained therein, and on that basis deny each and every allegation  
5 contained therein as they apply to these defendants, and specifically deny that these defendants made  
6 any such representations to plaintiffs.

7 65. Answering Paragraph 65, these defendants have neither information nor belief  
8 as to truth of the allegations contained therein, and on that basis deny each and every allegation  
9 contained therein.

10 66. Answering Paragraph 66, these defendants have neither information nor belief  
11 as to truth of the allegations contained therein, and on that basis deny each and every allegation  
12 contained therein as they apply to these defendants, and specifically deny that these defendants made  
13 any such representations.

14 67. Answering Paragraph 67 and its subparts, these defendants have neither  
15 information nor belief as to what representations were made by others, but these defendants admit  
16 that they provided plaintiffs with a tax opinion which accurately described the tax treatment which  
17 applied to the Mare Lease Program. These defendants have neither information nor belief as to the  
18 truth of the remaining allegations contained therein, and on that basis deny each and every allegation  
19 contained therein as they apply to these defendants.

20 68. Answering Paragraph 68, these defendants have neither information nor belief  
21 as to truth of the allegations contained therein, and on that basis deny each and every allegation  
22 contained therein as they apply to these defendants, and specifically deny that these defendants made  
23 any such representations to plaintiffs.

24 69. Answering Paragraph 69, these defendants have neither information nor belief  
25 as to what representations were made by others, but these defendants admit that they provided  
26 plaintiffs with a tax opinion which accurately described the tax treatment which applied to the Mare  
27 Lease Program. These defendants have neither information nor belief as to the truth of the remaining  
28 allegations contained therein, and on that basis deny each and every allegation contained therein as



1 they apply to these defendants, and specifically deny that these defendants made any such  
2 representations to plaintiffs.

3 70. Answering Paragraph 70, these defendants have neither information nor belief  
4 as to the truth of the allegations contained therein, and on that basis deny each and every allegation  
5 therein, and specifically deny that the plaintiffs were injured or damaged in any manner or in any  
6 sum whatever.

7 71. Answering Paragraph 71, these defendants deny each and every allegation  
8 contained therein as they apply to these defendants, and specifically deny that the plaintiffs were  
9 injured or damage in any manner or in any sum whatever.

10 72. Answering Paragraph 72, on information and belief these defendants admit  
11 the allegations therein.

12 73. Answering Paragraph 73, these defendants have neither information nor belief  
13 as to what representations were made by others, but these defendants admit that they provided  
14 plaintiffs with a tax opinion which accurately described the tax treatment which applied to the Mare  
15 Lease Program. These defendants have neither information nor belief as to the truth of the remaining  
16 allegations contained therein, and on that basis deny each and every allegation contained therein as  
17 they apply to these defendants, and specifically deny that these defendants made any representations  
18 to plaintiffs beyond what is contained in the written tax opinion.

19 74. Answering Paragraph 74, these defendants deny each and every allegation  
20 contained therein as they apply to these defendants.

21 75. Answering Paragraph 75, these defendants have neither information nor belief  
22 as to the truth of the allegations contained therein, and on that basis deny each and every allegation  
23 contained therein.

24 76. Answering Paragraph 76, these defendants have neither information nor belief  
25 as to what representations were made by others, and on that basis deny each and every allegation  
26 contained therein as they apply to the other defendants. These defendants specifically deny that these  
27 defendants made any such representations to plaintiffs or anyone else.

28 77. Answering Paragraph 77, these defendants admit that they prepared a

1 “Purchase and Exchange Agreement” containing some of the terms set forth therein, but deny all  
2 remaining allegations contained therein, and specifically deny that these defendants made any  
3 representations to plaintiffs.

4 78. Answering Paragraph 78, these defendants have neither information nor belief  
5 as to the truth of the allegations contained therein, and on that basis deny each and every allegation  
6 contained therein.

7 79. Answering Paragraph 79, these defendants have neither information nor belief  
8 as to the truth of the allegations contained therein, and on that basis deny each and every allegation  
9 contained therein, and specifically deny that these defendants made any such representations to  
10 plaintiffs.

11 80. Answering Paragraph 80, these defendants admit that THOMAS J.  
12 HANDLER, P.C. was a speaker on the topic of Estate Planning at an educational conference in the  
13 Virgin Islands, but these defendants have neither information nor belief as to the truth of the  
14 remaining allegations contained therein and therefore deny said allegations on that basis.

15 81. Answering Paragraph 81, these defendants have neither information nor belief  
16 as to the truth of the allegations contained therein, and on that basis deny each and every allegation  
17 contained therein.

18 82. Answering Paragraph 82, these defendants have neither information nor belief  
19 as to the truth of the allegations contained therein, and on that basis deny each and every allegation  
20 contained therein.

21 83. Answering Paragraph 83, these defendants have neither information nor belief  
22 as to the truth of the allegations contained therein, and on that basis deny each and every allegation  
23 contained therein.

24 84. Answering Paragraph 84, these defendants have neither information nor belief  
25 as to the truth of the allegations contained therein, and on that basis deny each and every allegation  
26 contained therein.

27 85. Answering Paragraph 85, these defendants have neither information nor belief  
28 as to the truth of the allegations contained therein, and on that basis deny each and every allegation

1 contained therein.

2 86. Answering Paragraph 86, these defendants have neither information nor belief  
3 as to the truth of the allegations contained therein, and on that basis deny each and every allegation  
4 contained therein.

5 87. Answering Paragraph 87, these defendants have neither information nor belief  
6 as to the truth of the allegations contained therein, and on that basis deny each and every allegation  
7 contained therein.

8 88. Answering Paragraph 88, these defendants have neither information nor belief  
9 as to the truth of the allegations contained therein, and on that basis deny each and every allegation  
10 contained therein, and specifically deny that these defendants made any such representations to  
11 plaintiffs.

12 89. Answering Paragraph 89, these defendants have neither information nor belief  
13 as to the truth of the allegations contained therein, and on that basis deny each and every allegation  
14 contained therein.

15 90. Answering Paragraph 90, these defendants deny each and every allegation  
16 contained therein as they apply to these defendants.

17 91. Answering Paragraph 91, these defendants deny each and every allegation  
18 contained therein as they apply to these defendants.

19 92. Answering Paragraph 92, these defendants deny each and every allegation  
20 contained therein as they apply to these defendants.

21 93. Answering Paragraph 93, these defendants have neither information nor belief  
22 as to the truth of the allegations contained therein, and on that basis deny each and every allegation  
23 contained therein.

24 94. Answering Paragraph 94, these defendants have neither information nor belief  
25 as to the truth of the allegations contained therein, and on that basis deny each and every allegation  
26 contained therein.

27 95. Answering Paragraph 95, these defendants have neither information nor belief  
28 as to the truth of the allegations contained therein, and on that basis deny each and every allegation

1 contained therein.

2 96. Answering Paragraph 96, these defendants have neither information nor belief  
3 as to the truth of the allegations contained therein, and on that basis deny each and every allegation  
4 contained therein.

5 97. Answering Paragraph 97, these defendants have neither information nor belief  
6 as to the truth of the allegations contained therein, and on that basis deny each and every allegation  
7 contained therein.

8 98. Answering Paragraph 98, these defendants have neither information nor belief  
9 as to the truth of the allegations contained therein, and on that basis deny each and every allegation  
10 contained therein.

11 99. Answering Paragraph 99, these defendants deny each and every allegation  
12 contained therein as they apply to these defendants. These defendants have neither information nor  
13 belief as to the truth of the remaining allegations contained therein, and on that basis deny each and  
14 every allegation contained therein.

15 100. Answering Paragraph 100, these defendants deny each and every allegation  
16 contained therein as they apply to these defendants. These defendants have neither information nor  
17 belief as to the truth of the remaining allegations contained therein, and on that basis deny each and  
18 every allegation contained therein.

19 101. Answering Paragraph 101, these defendants deny each and every allegation  
20 contained therein as they apply to these defendants. These defendants have neither information nor  
21 belief as to the truth of the remaining allegations contained therein, and on that basis deny each and  
22 every allegation contained therein.

23 102. Answering Paragraph 102, these defendants deny each and every allegation  
24 contained therein as they apply to these defendants.

25 103. Answering Paragraph 103, these defendants deny each and every allegation  
26 contained therein as they apply to these defendants. These defendants have neither information nor  
27 belief as to the truth of the remaining allegations contained therein, and on that basis deny each and  
28 every allegation contained therein, and specifically deny that the plaintiffs have been injured in any

1 manner or in any sum whatever.

2 **VI. THE R.I.C.O. PREDICATE ACTS**

3 104. Answering Paragraph 104, these defendants deny each and every allegation  
4 contained therein as they apply to these defendants. These defendants have neither information nor  
5 belief as to the truth of the remaining allegations contained therein, and on that basis deny each and  
6 every allegation contained therein.

7 105. Answering Paragraph 105, these defendants deny each and every allegation  
8 contained therein as they apply to these defendants. These defendants have neither information nor  
9 belief as to the truth of the remaining allegations contained therein, and on that basis deny each and  
10 every allegation contained therein.

11 106. Answering Paragraph 106, these defendants deny each and every allegation  
12 contained therein as they apply to these defendants. These defendants have neither information nor  
13 belief as to the truth of the remaining allegations contained therein, and on that basis deny each and  
14 every allegation contained therein.

15 107. Answering Paragraph 107 and each of its subparts, these defendants deny each  
16 and every allegation contained therein as they apply to these defendants. These defendants have  
17 neither information nor belief as to the truth of the remaining allegations contained therein, and on  
18 that basis deny each and every allegation contained therein.

19 108. Answering Paragraph 108, these defendants deny each and every allegation  
20 contained therein as they apply to these defendants. These defendants have neither information nor  
21 belief as to the truth of the remaining allegations contained therein, and on that basis deny each and  
22 every allegation contained therein.

23 **FIRST CLAIM FOR RELIEF**

24 109. Defendants repeat and incorporate herein by reference their responses to  
25 Paragraphs 1 through 108 herein.

26 110. Answering Paragraph 110, these defendants deny each and every allegation  
27 contained therein as they apply to these defendants. These defendants have neither information nor  
28 belief as to the truth of the remaining allegations contained therein, and on that basis deny each and

1 every allegation contained therein.

2 111. Answering Paragraph 111, these defendants admit that there is other litigation  
3 against some of the same defendants, but they deny each and every allegation contained therein as  
4 they apply to these defendants. These defendants have neither information nor belief as to the truth  
5 of the remaining allegations contained therein, and on that basis deny each and every allegation  
6 contained therein.

7 112. Answering Paragraph 112, these defendants deny each and every allegation  
8 contained therein as they apply to these defendants. These defendants have neither information nor  
9 belief as to the truth of the remaining allegations contained therein, and on that basis deny each and  
10 every allegation contained therein.

11 113. Answering Paragraph 113, these defendants deny each and every allegation  
12 contained therein as they apply to these defendants. These defendants have neither information nor  
13 belief as to the truth of the remaining allegations contained therein, and on that basis deny each and  
14 every allegation contained therein.

15 114. Answering Paragraph 114, these defendants deny each and every allegation  
16 contained therein as they apply to these defendants. These defendants have neither information nor  
17 belief as to the truth of the remaining allegations contained therein, and on that basis deny each and  
18 every allegation contained therein.

19 115. Answering Paragraph 115, these defendants deny each and every allegation  
20 contained therein as they apply to these defendants. These defendants have neither information nor  
21 belief as to the truth of the remaining allegations contained therein, and on that basis deny each and  
22 every allegation contained therein.

23 116. Answering Paragraph 116, these defendants admit that they provided certain  
24 tax opinions, but they deny each and every other allegation contained therein as they apply to these  
25 defendants. These defendants have neither information nor belief as to the truth of the remaining  
26 allegations contained therein, and on that basis deny each and every allegation contained therein.

27 117. Answering Paragraph 117, these defendants deny each and every allegation  
28 contained therein as they apply to these defendants. These defendants have neither information nor

1 belief as to the truth of the remaining allegations contained therein, and on that basis deny each and  
2 every allegation contained therein.

3 118. Answering Paragraph 118, these defendants deny each and every allegation  
4 contained therein as they apply to these defendants. These defendants have neither information nor  
5 belief as to the truth of the remaining allegations contained therein, and on that basis deny each and  
6 every allegation contained therein.

7 119. Answering Paragraph 119, these defendants deny each and every allegation  
8 contained therein as they apply to these defendants. These defendants have neither information nor  
9 belief as to the truth of the remaining allegations contained therein, and on that basis deny each and  
10 every allegation contained therein.

11 120. Answering Paragraph 120, these defendants deny each and every allegation  
12 contained therein as they apply to these defendants. These defendants have neither information nor  
13 belief as to the truth of the remaining allegations contained therein, and on that basis deny each and  
14 every allegation contained therein.

15 121. Answering Paragraph 121, these defendants deny each and every allegation  
16 contained therein as they apply to these defendants. These defendants have neither information nor  
17 belief as to the truth of the remaining allegations contained therein, and on that basis deny each and  
18 every allegation contained therein.

19 122. Answering Paragraph 123, these defendants deny each and every allegation  
20 contained therein as they apply to these defendants. These defendants have neither information nor  
21 belief as to the truth of the remaining allegations contained therein, and on that basis deny each and  
22 every allegation contained therein.

23 123. Answering Paragraph 124, these defendants deny each and every allegation  
24 contained therein as they apply to these defendants. These defendants have neither information nor  
25 belief as to the truth of the remaining allegations contained therein, and on that basis deny each and  
26 every allegation contained therein.

27 125. Answering Paragraph 125, these defendants deny each and every allegation  
28 contained therein as they apply to these defendants. These defendants have neither information nor



1 belief as to the truth of the remaining allegations contained therein, and on that basis deny each and  
2 every allegation contained therein, and specifically deny that the plaintiffs are entitled to recover  
3 damages in any sum whatever from these defendants.

4 **SECOND CLAIM FOR RELIEF**

5 126. Answering Paragraph 126, these defendants repeat and incorporate herein by  
6 reference their answers to Paragraphs 1 through 125 herein.

7 127. Answering Paragraph 127, these defendants deny each and every allegation  
8 contained therein as they apply to these defendants. These defendants have neither information nor  
9 belief as to the truth of the remaining allegations contained therein, and on that basis deny each and  
10 every allegation contained therein.

11 128. Answering Paragraph 128, these defendants deny each and every allegation  
12 contained therein as they apply to these defendants. These defendants have neither information nor  
13 belief as to the truth of the remaining allegations contained therein, and on that basis deny each and  
14 every allegation contained therein.

15 129. Answering Paragraph 129, these defendants deny each and every allegation  
16 contained therein as they apply to these defendants, and specifically deny that any tax opinions  
17 rendered were either false or misleading. These defendants have neither information nor belief as  
18 to the truth of the remaining allegations contained therein, and on that basis deny each and every  
19 allegation contained therein.

20 130. Answering Paragraph 130, these defendants deny each and every allegation  
21 contained therein as they apply to these defendants. These defendants have neither information nor  
22 belief as to the truth of the remaining allegations contained therein, and on that basis deny each and  
23 every allegation contained therein.

24 131. Answering Paragraph 131, these defendants deny each and every allegation  
25 contained therein as they apply to these defendants, and specifically deny that any tax opinions  
26 rendered were either false or misleading. These defendants have neither information nor belief as  
27 to the truth of the remaining allegations contained therein, and on that basis deny each and every  
28 allegation contained therein.



1           132. Answering Paragraph 132, these defendants deny each and every allegation  
2 contained therein as they apply to these defendants, and specifically deny that any tax opinions  
3 rendered were either false or misleading. These defendants have neither information nor belief as  
4 to the truth of the remaining allegations contained therein, and on that basis deny each and every  
5 allegation contained therein.

6           133. Answering Paragraph 133, these defendants deny each and every allegation  
7 contained therein as they apply to these defendants. These defendants have neither information nor  
8 belief as to the truth of the remaining allegations contained therein, and on that basis deny each and  
9 every allegation contained therein.

10           134. Answering Paragraph 134, these defendants deny each and every allegation  
11 contained therein as they apply to these defendants. These defendants have neither information nor  
12 belief as to the truth of the remaining allegations contained therein, and on that basis deny each and  
13 every allegation contained therein, and specifically deny that the plaintiffs have been injured or  
14 damaged in any manner or in any sum whatever.

15           135. Answering Paragraph 135, these defendants deny each and every allegation  
16 contained therein as they apply to these defendants. These defendants have neither information nor  
17 belief as to the truth of the remaining allegations contained therein, and on that basis deny each and  
18 every allegation contained therein, and specifically deny that the plaintiffs have been injured or  
19 damaged in any manner or in any sum whatever.

20           136. Answering Paragraph 136, these defendants deny each and every allegation  
21 contained therein as they apply to these defendants. These defendants have neither information nor  
22 belief as to the truth of the remaining allegations contained therein, and on that basis deny each and  
23 every allegation contained therein, and specifically deny that plaintiffs are entitled to damages in any  
24 amount.

25                           **THIRD CLAIM FOR RELIEF**

26           137. Answering Paragraph 137, these defendants repeat and incorporate herein by  
27 reference their answers to Paragraphs 1 through 136.

28           138. Answering Paragraph 138, these defendants deny each and every allegation

1 contained therein as they apply to these defendants. These defendants have neither information nor  
2 belief as to the truth of the remaining allegations contained therein, and on that basis deny each and  
3 every allegation contained therein.

4 139. Answering Paragraph 139, these defendants deny each and every allegation  
5 contained therein as they apply to these defendants, and specifically deny that any tax opinions  
6 rendered were either false or misleading. These defendants have neither information nor belief as  
7 to the truth of the remaining allegations contained therein, and on that basis deny each and every  
8 allegation contained therein.

9 140. Answering Paragraph 140, these defendants deny each and every allegation  
10 contained therein as they apply to these defendants. These defendants have neither information nor  
11 belief as to the truth of the remaining allegations contained therein, and on that basis deny each and  
12 every allegation contained therein.

13 141. Answering Paragraph 141, these defendants deny each and every allegation  
14 contained therein as they apply to these defendants. These defendants have neither information nor  
15 belief as to the truth of the remaining allegations contained therein, and on that basis deny each and  
16 every allegation contained therein.

17 142. Answering Paragraph 142, these defendants deny each and every allegation  
18 contained therein as they apply to these defendants, and specifically deny that any tax opinions  
19 rendered were either false or misleading. These defendants have neither information nor belief as  
20 to the truth of the remaining allegations contained therein, and on that basis deny each and every  
21 allegation contained therein.

22 143. Answering Paragraph 143, these defendants deny each and every allegation  
23 contained therein as they apply to these defendants, and specifically deny that any tax opinions  
24 rendered were either false or misleading. These defendants have neither information nor belief as  
25 to the truth of the remaining allegations contained therein, and on that basis deny each and every  
26 allegation contained therein.

27 144. Answering Paragraph 144, these defendants deny each and every allegation  
28 contained therein as they apply to these defendants, and specifically deny that any tax opinions

1 rendered were either false or misleading. These defendants have neither information nor belief as  
2 to the truth of the remaining allegations contained therein, and on that basis deny each and every  
3 allegation contained therein, and specifically deny that the plaintiffs have been injured or damaged  
4 in any manner or in any sum whatever.

5 145. Answering Paragraph 145, these defendants deny each and every allegation  
6 contained therein as they apply to these defendants. These defendants have neither information nor  
7 belief as to the truth of the remaining allegations contained therein, and on that basis deny each and  
8 every allegation contained therein, and specifically deny that plaintiffs have been injured or damaged  
9 in any manner or in any sum whatever.

10 146. Answering Paragraph 146, these defendants deny each and every allegation  
11 contained therein as they apply to these defendants. These defendants have neither information nor  
12 belief as to the truth of the remaining allegations contained therein, and on that basis deny each and  
13 every allegation contained therein, and specifically deny that plaintiffs are entitled to recover  
14 damages in any amount whatsoever against these defendants.

15 147. Answering Paragraph 147, these defendants deny each and every allegation  
16 contained therein as they apply to these defendants. These defendants have neither information nor  
17 belief as to the truth of the remaining allegations contained therein, and on that basis deny each and  
18 every allegation contained therein, and specifically deny that plaintiffs are entitled to punitive  
19 damages against these defendants in any amount.

20 **FOURTH CLAIM FOR RELIEF**

21 148. Answering Paragraph 148, these defendants repeat and incorporate herein by  
22 reference their answers to Paragraphs 1 through 147.

23 149. Answering Paragraph 149, these defendants deny each and every allegation  
24 contained therein as they apply to these defendants, and specifically deny that any tax opinions  
25 rendered were either false or misleading. These defendants have neither information nor belief as  
26 to the truth of the remaining allegations contained therein, and on that basis deny each and every  
27 allegation contained therein.

28 150. Answering Paragraph 150, these defendants deny each and every allegation

1 contained therein as they apply to these defendants, and specifically deny that any tax opinions  
2 rendered were either false or misleading. These defendants have neither information nor belief as  
3 to the truth of the remaining allegations contained therein, and on that basis deny each and every  
4 allegation contained therein.

5 151. Answering Paragraph 151, these defendants deny each and every allegation  
6 contained therein as they apply to these defendants. These defendants have neither information nor  
7 belief as to the truth of the remaining allegations contained therein, and on that basis deny each and  
8 every allegation contained therein.

9 152. Answering Paragraph 152, these defendants deny each and every allegation  
10 contained therein as they apply to these defendants, and specifically deny that any tax opinions  
11 rendered were either false or misleading. These defendants have neither information nor belief as  
12 to the truth of the remaining allegations contained therein, and on that basis deny each and every  
13 allegation contained therein.

14 153. Answering Paragraph 153, these defendants deny each and every allegation  
15 contained therein as they apply to these defendants. These defendants have neither information nor  
16 belief as to the truth of the remaining allegations contained therein, and on that basis deny each and  
17 every allegation contained therein, and specifically deny that plaintiffs have been injured or damaged  
18 in any manner or in any sum whatever.

19 154. Answering Paragraph 154, these defendants deny each and every allegation  
20 contained therein as they apply to these defendants. These defendants have neither information nor  
21 belief as to the truth of the remaining allegations contained therein, and on that basis deny each and  
22 every allegation contained therein, and specifically deny that plaintiffs are entitled to damages in any  
23 sum whatever.

24 **FIFTH CLAIM FOR RELIEF**  
25 **(Against CLASSICSTAR defendants only)**

26 155 - 161: Answering Paragraphs 152 through 161, these defendants deny each  
27 and every allegation contained therein as they apply to these defendants. These defendants have  
28 neither information nor belief as to the truth of the remaining allegations contained therein, and on

1 that basis deny each and every allegation contained therein.

2 **SIXTH CLAIM FOR RELIEF**  
3 **(Against CLASSICSTAR defendants only)**

4 162 - 168: Answering Paragraphs 162-168, these defendants deny each and every  
5 allegation contained therein as they apply to these defendants. These defendants have neither  
6 information nor belief as to the truth of the remaining allegations contained therein, and on that basis  
7 deny each and every allegation contained therein.

8 **SEVENTH CLAIM FOR RELIEF**

9 169. Answering Paragraph 169, these defendants repeat and incorporate herein by  
10 reference their answers to Paragraphs 1 through 168.

11 170. Answering Paragraph 170, these defendants have neither information nor  
12 belief as to the truth of the remaining allegations contained therein, and on that basis deny each and  
13 every allegation contained therein.

14 171. Answering Paragraph 171, these defendants deny each and every allegation  
15 contained therein as they apply to these defendants, and specifically deny that they acquired any of  
16 plaintiffs' funds. These defendants have neither information nor belief as to the truth of the  
17 remaining allegations contained therein, and on that basis deny each and every allegation contained  
18 therein.

19 172. Answering Paragraph 172, these defendants deny each and every allegation  
20 contained therein as they apply to these defendants, and specifically deny that they acquired any of  
21 plaintiffs' funds. These defendants have neither information nor belief as to the truth of the  
22 remaining allegations contained therein, and on that basis deny each and every allegation contained  
23 therein.

24 173. Answering Paragraph 173, these defendants deny each and every allegation  
25 contained therein as they apply to these defendants. These defendants have neither information nor  
26 belief as to the truth of the remaining allegations contained therein, and on that basis deny each and  
27 every allegation contained therein.

28 ///

**EIGHTH CLAIM FOR RELIEF**

174. Answering Paragraph 174, these defendants repeat and incorporate by reference their answers to Paragraphs 1 through 173.

175. Answering Paragraph 175, these defendants deny each and every allegation contained therein as they apply to these defendants, and specifically deny that plaintiffs made any payments to defendants. These defendants have neither information nor belief as to the truth of the remaining allegations contained therein, and on that basis deny each and every allegation contained therein.

176. Answering Paragraph 176, these defendants deny each and every allegation contained therein as they apply to these defendants, and specifically deny that they acquired any of plaintiffs' funds. These defendants have neither information nor belief as to the truth of the remaining allegations contained therein, and on that basis deny each and every allegation contained therein.

177. Answering Paragraph 177, these defendants deny each and every allegation contained therein as they apply to these defendants, and specifically deny that they acquired any of plaintiffs' money or property. These defendants have neither information nor belief as to the truth of the remaining allegations contained therein, and on that basis deny each and every allegation contained therein.

178. Answering Paragraph 178, these defendants deny each and every allegation contained therein as they apply to these defendants, and specifically deny that they ever received any of plaintiffs' money or property. These defendants have neither information nor belief as to the truth of the remaining allegations contained therein, and on that basis deny each and every allegation contained therein, and specifically deny that the plaintiffs have been damaged in any manner or in any sum whatever.

**NINTH CLAIM FOR RELIEF**

179. Answering Paragraph 179, defendants repeat and incorporate herein by reference their answers to Paragraphs 1 through 179.

180. Answering Paragraph 180, these defendants deny each and every allegation

1 contained therein as they apply to these defendants, and specifically deny that they have received any  
2 of plaintiffs' money or property. These defendants have neither information nor belief as to the truth  
3 of the remaining allegations contained therein, and on that basis deny each and every allegation  
4 contained therein.

5 **TENTH CLAIM FOR RELIEF**  
6 **(Against defendants CLASSICSTAR,**  
7 **PLUMMER, BUFFALO RANCH only)**

8 181 - 183. Answering Paragraph 181 - 183, these defendants deny each and every  
9 allegation contained therein as they apply to these defendants. These defendants have neither  
10 information nor belief as to the truth of the remaining allegations contained therein, and on that basis  
11 deny each and every allegation contained therein.

12 **ELEVENTH CLAIM FOR RELIEF**  
13 **(Against CLASSICSTAR defendants only)**

14 184 - 190. Answering Paragraph 184 - 190, these defendants deny each and every  
15 allegation contained therein as they apply to these defendants. These defendants have neither  
16 information nor belief as to the truth of the remaining allegations contained therein, and on that basis  
17 deny each and every allegation contained therein.

18 **TWELFTH CAUSE OF ACTION (SIC)**  
19 **(Against CLASSICSTAR defendants only)**

20 191 - 199. Answering Paragraph 191 - 199, these defendants deny each and every  
21 allegation contained therein as they apply to these defendants. These defendants have neither  
22 information nor belief as to the truth of the remaining allegations contained therein, and on that basis  
23 deny each and every allegation contained therein.

24 **THIRTEENTH CLAIM FOR RELIEF**  
25 **(Against CLASSICSTAR defendants only)**

26 200 - 208. Answering Paragraph 200 - 208, these defendants deny each and every  
27 allegation contained therein as they apply to these defendants. These defendants have neither  
28 information nor belief as to the truth of the remaining allegations contained therein, and on that basis  
deny each and every allegation contained therein.



**FOURTEENTH CLAIM FOR RELIEF**

209. Answering Paragraph 209, these defendants repeat and incorporate herein by reference their answers to Paragraphs 1 through 208.

210. Answering Paragraph 210, these defendants deny each and every allegation contained therein as they apply to these defendants, and specifically deny that any tax opinions rendered were either false or misleading. These defendants have neither information nor belief as to the truth of the remaining allegations contained therein, and on that basis deny each and every allegation contained therein.

211. Answering Paragraph 211, these defendants admit that they had a duty of reasonable care in rendering a tax opinion to plaintiffs, but they deny each and every other allegation contained therein as they apply to these defendants. These defendants have neither information nor belief as to the truth of the remaining allegations contained therein, and on that basis deny each and every allegation contained therein.

212. Answering Paragraph 212 and each of its subparts, these defendants admit that they provided a tax opinion regarding the federal tax treatment applicable to the Mare Lease Program based on reasoned analysis and judgment, but they deny each and every other allegation contained therein as they apply to these defendants. These defendants have neither information nor belief as to the truth of the remaining allegations contained therein, and on that basis deny each and every allegation contained therein.

213. Answering Paragraph 213, these defendants deny each and every allegation contained therein as they apply to these defendants. These defendants have neither information nor belief as to the truth of the remaining allegations contained therein, and on that basis deny each and every allegation contained therein.

214. Answering Paragraph 214, these defendants admit that they owed a duty of care in rendering a tax opinion, but they deny each and every other allegation contained therein as they apply to these defendants. These defendants have neither information nor belief as to the truth of the remaining allegations contained therein, and on that basis deny each and every allegation contained therein.



1           215. Answering Paragraph 215, these defendants deny each and every allegation  
2 contained therein as they apply to these defendants. These defendants have neither information nor  
3 belief as to the truth of the remaining allegations contained therein, and on that basis deny each and  
4 every allegation contained therein.

5           216. Answering Paragraph 216, these defendants deny each and every allegation  
6 contained therein as they apply to these defendants. These defendants have neither information nor  
7 belief as to the truth of the remaining allegations contained therein, and on that basis deny each and  
8 every allegation contained therein.

9           217. Answering Paragraph 217, these defendants deny each and every allegation  
10 contained therein as they apply to these defendants. These defendants have neither information nor  
11 belief as to the truth of the remaining allegations contained therein, and on that basis deny each and  
12 every allegation contained therein.

13           218. Answering Paragraph 218, these defendants deny each and every allegation  
14 contained therein as they apply to these defendants. These defendants have neither information nor  
15 belief as to the truth of the remaining allegations contained therein, and on that basis deny each and  
16 every allegation contained therein.

17           219. Answering Paragraph 219, these defendants deny each and every allegation  
18 contained therein as they apply to these defendants. These defendants have neither information nor  
19 belief as to the truth of the remaining allegations contained therein, and on that basis deny each and  
20 every allegation contained therein, and specifically deny that the plaintiffs have been harmed in any  
21 manner or in any sum whatever.

22                           **FIRST AFFIRMATIVE DEFENSE**

23           221. Venue is improper under 28 USC §1391.

24                           **SECOND AFFIRMATIVE DEFENSE**

25           222. Plaintiffs' FIRST CLAIM FOR RELIEF fails to state a claim against these  
26 answering defendants.

27                           **THIRD AFFIRMATIVE DEFENSE**

28           223. Plaintiffs' SECOND CLAIM FOR RELIEF fails to state a claim against these

1 answering defendants.

2 **FOURTH AFFIRMATIVE DEFENSE**

3 224. Plaintiffs' THIRD CLAIM FOR RELIEF fails to state a claim against these  
4 answering defendants.

5 **FIFTH AFFIRMATIVE DEFENSE**

6 225. Plaintiffs' FOURTH CLAIM FOR RELIEF fails to state a claim against these  
7 answering defendants.

8 **SIXTH AFFIRMATIVE DEFENSE**

9 226. Plaintiffs' FIFTH CLAIM FOR RELIEF fails to state a claim against these  
10 answering defendants.

11 **SEVENTH AFFIRMATIVE DEFENSE**

12 227. Plaintiffs' SIXTH CLAIM FOR RELIEF fails to state a claim against these  
13 answering defendants.

14 **EIGHTH AFFIRMATIVE DEFENSE**

15 228. Plaintiffs' SEVENTH CLAIM FOR RELIEF fails to state a claim against  
16 these answering defendants.

17 **NINTH AFFIRMATIVE DEFENSE**

18 229. Plaintiffs' EIGHTH CLAIM FOR RELIEF fails to state a claim against these  
19 answering defendants.

20 **TENTH AFFIRMATIVE DEFENSE**

21 230. Plaintiffs' NINTH CLAIM FOR RELIEF fails to state a claim against these  
22 answering defendants.

23 **ELEVENTH AFFIRMATIVE DEFENSE**

24 231. Plaintiffs' TENTH CLAIM FOR RELIEF fails to state a claim against these  
25 answering defendants.

26 **TWELFTH AFFIRMATIVE DEFENSE**

27 232. Plaintiffs' ELEVENTH CLAIM FOR RELIEF fails to state a claim against  
28 these answering defendants.

**THIRTEENTH AFFIRMATIVE DEFENSE**

233. Plaintiffs' TWELFTH CLAIM FOR RELIEF fails to state a claim against these answering defendants.

**FOURTEENTH AFFIRMATIVE DEFENSE**

234. Plaintiffs' THIRTEENTH CLAIM FOR RELIEF fails to state a claim against these answering defendants.

**FIFTEENTH AFFIRMATIVE DEFENSE**

235. Plaintiffs' FOURTEENTH CLAIM FOR RELIEF fails to state a claim against these answering defendants.

**SIXTEENTH AFFIRMATIVE DEFENSE**

236. Defendants allege that the complaint, and each and every cause of action thereof, is barred by the applicable statutes of limitations, including but not limited to California Code of Civil Procedure §§337, 337.1, 337.15, 338, 339, 340, 340.2, 340.5, 340.6, 341(2), and 343.

**SEVENTEENTH AFFIRMATIVE DEFENSE**

237. Defendants allege that the complaint, and each and every claim for relief therein, is barred by the equitable doctrine of unclean hands.

**EIGHTEENTH AFFIRMATIVE DEFENSE**

238. Plaintiffs were fully aware of the risks involved in the transactions and/or occurrences placed in issue by the complaint and, thus, their losses and/or damages, if any there were, are the result of their assumption of the risk.

**NINETEENTH AFFIRMATIVE DEFENSE**

239. Defendants allege that in the event plaintiffs have suffered any damages as a result of anything related to the allegations of their complaint, such damages are the proximate result of the actions or conduct of persons or entities other than these answering defendants.

**TWENTIETH AFFIRMATIVE DEFENSE**

240. Defendants allege that in the event plaintiffs have suffered any damages as a result of anything related to the allegations of their complaint, such damages are the proximate result of the plaintiffs' own negligence, and their recovery, if any there is, should be reduced

1 proportionately to their comparative fault.

2 **TWENTY-FIRST AFFIRMATIVE DEFENSE**

3 241. Defendants allege that plaintiffs have failed to take reasonable steps to  
4 mitigate the damages allegedly suffered by them, and any award against these answering defendants  
5 must be reduced by the amount that could have been so mitigated.

6 **TWENTY-SECOND AFFIRMATIVE DEFENSE**

7 242. Plaintiffs did not reasonably or justifiably rely on any alleged representations  
8 made by these defendants.

9 **TWENTY-THIRD AFFIRMATIVE DEFENSE**

10 243. The opinions rendered by these defendants are protected by the doctrine of  
11 judgmental immunity.

12 WHEREFORE, defendants pray that plaintiffs take nothing on their complaint herein,  
13 and that defendants be awarded their costs and any other, further relief that the court might deem  
14 appropriate.

15 DATED: July 23, 2007

DRATH, CLIFFORD, MURPHY & HAGEN, LLP

16  
17 By 

18 JOHN M. DRATH  
19 Attorneys for Defendants  
20 HANDLER, THAYER & DUGGAN, LLC and  
21 THOMAS J. HANDLER, J.D., P.C. (erroneously  
22 sued herein as THOMAS J. HANDLER,  
23 individually)

24 **JURY DEMAND**

25 Defendants hereby demand a jury trial.

26 DATED: July 23, 2007

DRATH, CLIFFORD, MURPHY & HAGEN, LLP

27 By 

28 JOHN M. DRATH  
Attorneys for Defendants  
HANDLER, THAYER & DUGGAN, LLC and  
THOMAS J. HANDLER, J.D., P.C. (erroneously  
sued herein as THOMAS J. HANDLER,  
individually)

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